

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL MEMORANDUM**

**HB 2644 – SB 2768**

March 31, 2010

**SUMMARY OF AMENDMENTS (015655, 016041):** Authorizes a parent or caretaker relative receiving temporary assistance for needy families (TANF) services to participate in either a parent education training class or a program of volunteer service in a school. Requires the Department of Human Services to develop these options out of existing resources and as cooperative arrangements with local education agencies (LEAs), the Department of Health, applicable city and county governments, and community services agencies.

**FISCAL IMPACT OF ORIGINAL BILL:**

Increase State Expenditures - \$693,700/One-Time  
\$422,300/Recurring

**FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENTS:**

Increase State Expenditures - \$55,800/One-Time  
\$35,600/Recurring

**Other Fiscal Impact – The bill as amended requires DHS to develop the parenting classes and volunteer service programs at schools within existing resources. The Department will decrease expenditures by \$91,400 in FY10-11 and \$35,600 in FY11-12 and subsequent years in other programs to be able to provide the parenting classes to at least five percent of the current TANF enrollees.**


Assumptions applied to amendments:

- The Department of Human Services (DHS) assumes that the parent education class will be a one-time event and the volunteer program will be a continuing program throughout the school year.
- Since the parents are no longer required to participate, the Department estimates that only a small percentage will choose to participate in the parenting classes that will be funded by the Department.

- Currently there are approximately 62,000 TANF clients. The Department estimates that at least five percent, or 3,100 ( $62,000 \times .05$ ), of the current clients will voluntarily participate in the parenting classes.
- Based on current departmental contracts, DHS estimates the parenting class will cost approximately \$18 per individual for materials and verification of attendance resulting in a one-time increase in expenditures of \$55,800 ( $\$18 \times 3,100$ ).
- There are approximately 3,300 additional monthly TANF enrollees resulting in an estimated 39,600 ( $3,300 \times 12$ ) new TANF enrollees each year. If five percent, or 1,980 ( $39,600 \times .05$ ), of the annual enrollees participate in the parenting classes, there will be an increase in recurring expenditures of \$35,640 ( $1,980 \times \$18$ ).
- A parent's participation in a volunteer service program at a school will not have a fiscal impact on the Department.
- Since the classes are not mandatory for participants, the Department will not provide child care during or transportation services to the parenting classes or volunteer programs. The Department will not track the parents who voluntarily participate so there will not be any increase in expenditures for modifications to the ACCENT or VIP systems.

## **CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

/kml